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Kirsten Baesler
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February 25, 2015

To: Authorized Representatives of School Nutrition Programs

From: Deb Egeland, Assistant Director, Child Nutrition Programs
ND DPI Child Nutrition and Food Distribution Programs

Re: New Paid Lunch Equity (PLE) calculations

Section 205 of the Healthy, Hunger-Free Kids Act requires schools participating in the National School Lunch Program ensure that schools are providing the same level of financial support for lunches served to paid students as they are to students who are eligible for free lunches.

Each year schools must review their paid lunch revenue to assure compliance with the paid lunch equity requirement, also known as PLE. When the school's average paid lunch price is less than the difference between the current free and paid federal reimbursement rates, the school would be noncompliant and therefore must determine how they will meet the requirement. **Schools have the option of increasing their average paid lunch price or providing funds from non-federal sources.**

For SY 2015-2016, schools which, on average, charged less than \$2.70 for paid lunches in SY 2014-2015 are required to increase their average price or provide additional non-federal funds to the non-profit school food service account. We cannot require schools to increase prices more than 10 cents per year; however, you are free to increase prices as high as necessary. Some schools have elected to raise prices 25 cents every other year. The additional increase may be carried forward to the next school years(s) to meet the PLE requirements. Schools must keep sufficient records to document and carry forward the average price calculations.

To determine the new price, schools must calculate an adjusted average paid lunch price. The adjusted average price is the average price charged in 2014/2015 increased by two percentage points above the inflation rate and may be rounded down to the nearest 5 cents. For school year 2015/2016, the inflation factor is 2.19 percent. Combined with the required 2 percent increase, the total **required increase is 4.19 percent**. Schools must add on any calculated pricing increase from last year that was rounded down.

USDA has a PLE tool that will calculate the required increases and keep track of any amounts carried forward. An updated PLE tool will be issued soon by the Food and Nutrition Services to help calculate the required amount of non-federal funds or the amount of paid lunch increase. The tool can be found at: <http://www.dpi.state.nd.us/child/snp/nslp/index.shtm> under Meal Pricing/Pricing Student Meals.

If you have any questions about calculating prices, please contact Deb Egeland at degeland@nd.gov or 1-888-338-3663 or 701-328-3718 or Kaye Knudson at ksknudson@nd.gov or 328-2275.